

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

March 30, 2021

1:36 p.m.

MEMBERS PRESENT

Senator Robert Myers, Chair
Senator Mike Shower, Vice Chair
Senator Jesse Kiehl

MEMBERS ABSENT

Senator Click Bishop
Senator Peter Micciche

COMMITTEE CALENDAR

SENATE BILL NO. 103

"An Act repealing the Alaska Marine Transportation Advisory Board; establishing the Alaska Marine Highway System Operation and Planning Board; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 105

"An Act relating to road service area consolidation."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 103

SHORT TITLE: AMHS OPERATION & PLANNING BOARD

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

03/10/21	(S)	READ THE FIRST TIME - REFERRALS
03/10/21	(S)	TRA
03/25/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
03/25/21	(S)	Heard & Held
03/25/21	(S)	MINUTE (TRA)
03/30/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 105

SHORT TITLE: ROAD SERVICE AREA CONSOLIDATION

SPONSOR(s) : MYERS

03/10/21	(S)	READ THE FIRST TIME - REFERRALS
03/10/21	(S)	TRA, CRA
03/25/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
03/25/21	(S)	Heard & Held
03/25/21	(S)	MINUTE(TRA)
03/30/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SHANNON ADAMSON, Regional Representative
International Organization of Masters, Mates and Pilots (MM&P)
Juneau, Alaska

POSITION STATEMENT: Testified with concerns that the board established by SB 103 lacks authority and the ferry system management structure should change.

BEN GOLDRICH, Representative
Marine Engineers' Beneficial Association (MEBA)
Juneau, Alaska

POSITION STATEMENT: Testified on SB 103, offering support for expanding the board composition and membership, providing OPB with more authority and taking steps to depoliticize AMHS.

VALERIE AMARILLAS, Chair
McGrath Estates Service Area Commission
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to SB 105 because consolidating RSAs would adversely affect maintenance response times and force small contractors out of business.

CHARLES LEMKE, Chair; Commissioner
University Heights Service Area
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified with questions on SB 105.

CANDY RYDLINSKI, Commissioner
Kris Kringle Service Area (KKSA)
Fairbanks North Star Borough
North Pole, Alaska

POSITION STATEMENT: Testified in opposition to SB 105 because RSAs are unique, KKSA residents like the current RSA system and consolidation may adversely affect services.

GEORGE RYDLINSKI, Member
Kris Kringle Service Area (KKSA)
Fairbanks North Star Borough
North Pole, Alaska

POSITION STATEMENT: Testified in opposition to SB 105 due to a lack of information on the proposed RSA consolidations.

MICHAEL BRADLEY, Commissioner
McGrath Estates Service Area
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to SB 105.

DAN LABROSSE, Chair;
Fairbanks North Star Borough; Commissioner
Polar Heights Service Area
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to SB 105 because consolidation would adversely affect services but not reduce homeowner taxes.

CHRISTINE ROBBINS, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to SB 105 because service areas differ vastly and the majority of the affected residents do not support consolidation.

APRIL TRICKEY, Borough Clerk
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified during the discussion of SB 105.

JIM WILLIAMS, Chief of Staff
Mayor's Office
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 105.

JIMI CASH, Chair
Fairbanks North Star Borough Assembly
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 105

JILL DOLAN, Borough Attorney
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Answered questions on SB 105.

ACTION NARRATIVE

[1:36:17 PM](#)

CHAIR ROBERT MYERS called the Senate Transportation Standing Committee meeting to order at 1:36 p.m. Present at the call to order were Senators Shower, Kiehl, and Chair Myers.

SB 103-AMHS OPERATION & PLANNING BOARD

[1:36:57 PM](#)

CHAIR MYERS announced the consideration of SENATE BILL NO. 103 "An Act repealing the Alaska Marine Transportation Advisory Board; establishing the Alaska Marine Highway System Operation and Planning Board; and providing for an effective date."

[1:37:16 PM](#)

CHAIR MYERS opened public testimony on SB 103.

[1:37:41 PM](#)

SHANNON ADAMSON, Regional Representative, International Organization of Masters, Mates and Pilots (MM&P), Juneau, Alaska, stated that SB 103 lacks diversity as all the Alaska Marine Highway System Operation and Planning Board (OPB) members will be appointed by the governor. Instead, she suggested that board members should be appointed by more than one political entity, including the legislative branch. The bill does not provide OPB with sufficient authority to make substantial changes. She said she served as a Marine Transportation Advisory Board (MTAB) member for six years. She offered her belief that MTAB's recommendations to the Department of Transportation and Public Facilities (DOTPF) were largely ignored. She suggested amending the bill to require DOTPF to incorporate OPB's short and long-range plans to help the board work with DOTPF management to achieve better solutions. Although SB 103 provides a step in the right direction, the language in House Bill 63 [Chapter 20 SLA 21] would improve the Alaska Marine Highway System (AMHS) even more. She said MM&P encourages the committee to consider the language in that legislation for potential amendments to SB 103 to improve AMHS for coastal communities.

[1:39:40 PM](#)

SENATOR SHOWER asked whether it was time to move away from DOTPF's management and model AMHS after the Alaska Seafood Marketing Institute (ASMI).

MS. ADAMSON, after first clarifying the question, responded that MM&P would support that change. She offered her belief that AMHS suffers from a lack of planning and management structure. Thus, MM&P would advocate for any change that would remove AMHS from DOTPF.

[1:41:48 PM](#)

BEN GOLDRICH, Representative, Marine Engineers' Beneficial Association (MEBA), Juneau, Alaska, stated that he supports expanding the board composition and membership, providing OPB with more authority and taking steps to depoliticize AMHS. He said that MEBA believes that adding board members could bring broader perspectives, diversify the board, and help depoliticize AMHS. He agreed that adding some provisions of House Bill 63 could provide OPB with more authority. Although he does not serve on MTAB, he said he participated in and observed many MTAB meetings. He advocated using MTAB's and OPB's expertise to assist AMHS.

[1:42:59 PM](#)

CHAIR MYERS asked whether MEBA supported giving AMHS its own governance structure separate from DOTPF.

MR. GOLDRICH offered his belief that MEBA would support such a move.

[1:43:40 PM](#)

CHAIR MYERS, after first determining no one wished to testify, closed public testimony on SB 103.

[SB 103 was held in committee.]

SB 105-ROAD SERVICE AREA CONSOLIDATION

[1:43:55 PM](#)

CHAIR MYERS announced the consideration of SENATE BILL NO. 105 "An Act relating to road service area consolidation."

[1:44:00 PM](#)

CHAIR MYERS opened public testimony on SB 105.

[1:45:11 PM](#)

VALERIE AMARILLAS, Chair, McGrath Estates Service Area Commission, Fairbanks North Star Borough (FNSB), Fairbanks, Alaska, spoke in opposition to SB 105. She stated that no two service areas have the same number of miles, mill rate, assessed

value, tax cap or the same number of commissioners. Consolidating road service areas (RSAs) would likely result in longer response times and force small contractors out of business. Further, each second-class borough in Alaska is unique and the current system works. In addition, the bill's scope changed when "contiguous" was removed from the original information. She wondered what cost savings FBSB hoped to achieve since RSAs currently contribute approximately 90 percent of their budgetary needs. If FNSB wishes to make changes to RSAs, the mayor and assembly should contact the existing RSA Chairs to discuss options, but it should be up to the voting public to decide, not RSA boards.

CHARLES LEMKE, Chair; Commissioner, University Heights Service Area, Fairbanks North Star Borough, Fairbanks, Alaska, stated that he supported giving more authority to RSAs because it could reduce expenses but he was unsure how it would affect services. He wondered whether consolidating RSAs would include combining RSA's funds and reserves. The University Heights Subdivision RSA was responsible and frugal and homeowners believe their service area provides good service. He wondered whether this would increase expenses or dilute services. He spoke in favor of letting each RSA vote on whether to consolidate.

1:50:36 PM

CANDY RYDLINSKI, Commissioner, Kris Kringle Service Area (KKSA), Fairbanks North Star Borough, North Pole, Alaska spoke in opposition to SB 105, echoing previous testifiers' concerns. She said she did not understand the reason to change the current system. She stated that RSAs are unique but she was unsure what services would be provided.

1:51:30 PM

GEORGE RYDLINSKI, Member, Kris Kringle Service Area (KKSA), Fairbanks North Star Borough, North Pole, Alaska, spoke in opposition to SB 105 due to a lack of information on the proposed RSA consolidations.

1:52:29 PM

MICHAEL BRADLEY, Commissioner, McGrath Estates Service Area, Fairbanks North Star Borough, Fairbanks, Alaska, spoke against SB 105 because it appeared that big government would redistribute funds from functioning service areas to those with deficits or that struggle filling commissioner positions. The McGrath RSA currently functions well, he said. He expressed concern by consolidating RSAs, the level of service will diminish without gaining efficiencies. He asked members to

consider why the borough created RSAs in the first place. If consolidating RSAs is a good idea, FNSB should consolidate them and take over road services, he said.

1:55:33 PM

DAN LABROSSE, Chair; Commissioner, Polar Heights Service Area, Fairbanks North Star Borough, Fairbanks, Alaska, spoke in opposition to SB 105 because his RSA currently provides good services. He stated that he served as RSA commissioner for 20 years and was instrumental in helping his neighborhood annex the Polar Heights Service Area, which consists of 2.6 road miles. Before annexing the RSA, his subdivision had poor road conditions but under the RSA, the roads are in excellent condition. He expressed concern about potential diminished services. Polar Heights RSA members currently volunteer to fill potholes and neighbors report problems, such as clogged culverts. He stated that the RSA coordinates contracting services with an adjacent RSA to achieve efficiencies for snowplowing. He acknowledged that RSA consolidations might reduce administrative costs but not RSA member taxes.

1:58:51 PM

At ease

1:59:48 PM

CHAIR MYERS reconvened the meeting.

1:59:52 PM

CHRISTINE ROBBINS, representing self, Fairbanks, Alaska, spoke in opposition to SB 105. She stated that not one of the 103 RSAs has the same mileage, mill rate, assessed value, or tax cap. She said she did not think voters would support changes. She suggested that members should hold off approving SB 105 to allow more people to voice their opinions on the proposed consolidations.

2:01:02 PM

APRIL TRICKEY, Borough Clerk, Fairbanks North Star Borough, Fairbanks, Alaska, stated that she is responsible for administering municipal elections and all service area elections held in March or November. She stated that she and her staff were neutral on SB 105.

MS. TRICKEY reported that the Fairbanks North Star Borough Clerk's office conducted 51 service area elections between 2016 through 2020 as compared to two conducted by the Mat-Su Borough during the same period. FNSB's code requires service area

elections be performed using the procedures for absentee voting in person, by mail or electronic transmission.

MS. TRICKEY highlighted the challenges in conducting RSA elections. First, FNSB has not been able to obtain voter precinct lists from the Division of Elections. She elaborated that several years ago, the borough added five fire service areas to the state's Election Electronic Records Management System. The Region III Division of Elections' office did not support adding the 103 RSAs and two utility service areas to their system. It would be such a time-consuming process to enter and maintain voter records. The Canvas Board must use a two-step process to validate voters without the precinct register. As the borough receives ballots, the Canvas Board must determine whether the person is a registered voter in the borough. Next, FNSB's Canvas Board cross-checks the name against its list of all resident addresses within that service area boundary or annexation area to determine if the person's address falls within the service area and their votes can be counted.

2:05:02 PM

MS. TRICKEY, in response to a previous question about conducting service area elections when municipal elections are held, explained the challenges. First, the service area boundaries do not align with precinct boundaries. Second, service areas cross more than one precinct boundary. At times, more than one service area falls within a precinct boundary. Second, she would need to hire an additional person to conduct the service area election, which would drive up the service area election costs. Finally, she would need to train the Canvas Boards to guide voters during a service area election since residents, who may own property in a service area and annexation area, often are uncertain which ballot to request.

2:07:06 PM

SENATOR SHOWER stated he would consult with the Mat-Su Borough on their process. He wondered if FNSB might be able to take some actions to streamline the process. For example, if FNSB wants to consolidate RSAs, perhaps it can conduct one election. He offered to pass on any information to the committee.

MS. TRICKEY explained that the FNSB must hold an election for each service area. Thus, it would be too complex due to accountability requirements regarding ballots and voter eligibility. Further, it would not be possible to meet the requirement to complete the count within seven days. She opined holding one election for 105 service areas was not attainable.

2:11:18 PM

MR. BRADLEY deferred to Mr. Williams.

2:11:54 PM

JIM WILLIAMS, Chief of Staff, Mayor's Office, Fairbanks North Star Borough, Fairbanks, Alaska, speaking on behalf of Mayor Ward, explained that the crux of the problem was due to a large number of service areas. Further, as testified to at a previous hearing, RSA consolidation elections typically fail due to a lack of voter turnout.

MR. WILLIAMS agreed that the people opposing SB 105 were correct that FNSB has not adequately explained the benefits of SB 105. First, consolidating RSAs would reduce administrative costs. Second, it might be possible to hold one election for RSAs, but each RSA being combined must receive a majority of the votes to combine all RSAs. He said he reviews over 120 contracts requiring invoices, purchase orders, inspections, and engineering work.

MR. WILLIAMS said that using the ordinance process would give FNSB another option to initiate the RSA consolidation process. He agreed that each service area has its own set of interests, including fund balances, mill rates, services, service level quality and cost per mile. However, this pathway would require the commissions must agree that their interests could be met to consolidate two RSAs. In addition, it would go through a public process. An ordinance would also need to be approved by the FNSB mayor and assembly, which is another public process.

2:15:26 PM

SENATOR SHOWER stated that he recognized the borough's problem in administering elections but public testimony shows significant opposition to the bill. He expressed concern that using an ordinance process would mean the service area residents would not have an opportunity to vote on the consolidation. He surmised FNSB might need to seek voter approval by developing a blended solution.

2:17:31 PM

MR. WILLIAMS agreed that a number of commissioners were opposed to SB 105. However, he reminded members that 262 of 418 commission seats are currently filled. Thus, the committee did not hear from a majority of the commissioners. FNSB primarily received feedback from some commissioners who supported the concept. He maintained this process would give the borough one

more option for RSA consolidation when interests align. He stated that maintaining 103 service areas was untenable.

2:18:33 PM

SENATOR SHOWER suggested starting by consolidating service areas for those who agree. He offered his view that there must be a way to resolve the issues.

2:19:10 PM

JIMI CASH, Member, Fairbanks North Star Borough Assembly, Chair, Fairbanks, Alaska, stated that he also chairs FNSB's Road Service Area Committee. He stated that the FNSB Assembly passed a resolution in support of SB 105. He related his understanding testifiers viewed SB 105 as a means for the borough to consolidate RSAs without obtaining input from the people. However, the bill requires commissioners of each RSA must agree to consolidate. If so, it would remove the necessity of holding an RSA election. As previously mentioned, oftentimes these elections fail because people do not show up because they lack an interest in the election or they were not paying attention and did not realize an election was being held. For example, although he lived most of his adult life in a service area served by an RSA, he only attended two meetings. He simply did not understand what RSAs do except plow the roads in his subdivision.

MR. CASH explained that consolidating RSAs via the ordinance process would remove burdens for staff, including going through the process to conduct elections only to have them fail. He acknowledged that the borough did not do a good job of contacting or explaining the issues to RSA commissioners. However, FNSB has an RSA Committee, consisting of one public member, two assembly members and five RSA commissioners. During discussions, the committee's concern was to ensure that RSA consolidations did not occur without agreement by RSA commissioners affected by the consolidation. He related that RSAs would have some cost savings. He noted that some RSAs serve one-quarter of a mile, but others are miles long. He recalled that one election to annex a small RSA with a larger RSA failed because no one in the larger RSA voted. It did not mean the members of larger RSAs disagreed with the consolidation, just that they did not vote.

2:23:13 PM

JILL DOLAN, Borough Attorney, Fairbanks North Star Borough, Fairbanks, Alaska, clarified that if FNSB had the authority to consolidate RSAs, the borough would still implement its own

review process, including conducting analysis, assessing value, identifying the number of road miles maintained and determining the overall maintenance cost. That analysis would be presented and recommendations would be made on whether to annex before an ordinance would be presented to the assembly.

[2:24:27 PM](#)

At ease

[2:24:52 PM](#)

CHAIR MYERS reconvened the meeting and after determining no one wished to testify, he closed public testimony on SB 105.

[SB 105 was held in committee.]

[2:26:05 PM](#)

There being no further business to come before the committee, Chair Myers adjourned the Senate Transportation Standing Committee meeting at 2:26 p.m.